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15 July 1980

# West Europe Report

(FOUO 31/80)

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## WEST EUROPE REPORT

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### CONTENTS

#### THEATER NUCLEAR FORCES

##### ITALY

Italy's Role Within NATO Discussed (IL MONDO, 30 May 80) .....	1
Admiral Torrisi Interviewed Public Opinion Poll	

#### COUNTRY SECTION

##### FEDERAL REPUBLIC OF GERMANY

Communists Infiltrate Trade, Bank, Insurance Workers Union (CAPITAL, Jun 80) .....	6
---	---

##### FRANCE

Improved Arms Conception System Discussed (Louis Voiney; ARMEES D'AUJOURD'HUI, 30-31 May 80) .....	10
--	----

##### ITALY

Text of 1980 Financial Law Provisions (IL SOLE-24 ORE, 1, 4, 6 May 80) .....	15
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THEATER NUCLEAR FORCES

ITALY

ITALY'S ROLE WITHIN NATO DISCUSSED

Admiral Torrisi Interviewed

Milan IL MONDO in Italian 30 May 80 pp 8-11

[Interview with Admiral Giovanni Torrisi by Gianni Rossi. Time and place not given.]

[Text] The recent meeting in Brussels of the ministers of defense and of chiefs of staff of major NATO countries pointed to an increase in defense expenditures for Italy within the framework of the allied defense system. IL MONDO spoke with Admiral Giovanni Torrisi, defense chief of staff, with regard to the new commitments for the military budget.

[Question] Are these increased expenditures really necessary with regard to the military?

[Answer] Naturally, it is not popular to request funds for the defense budget with an economy such as ours, which presently is in a state of crisis. It should be stated also that additional funds earmarked are not necessarily for all three services; they are increased using base figures agreed upon in 1979 within NATO for the 5-year 1980-85 period. We start from the premise that there exists an imbalance in conventional weapons between NATO and the nations of the Warsaw Pact. Therefore we are to expedite matters in reducing the existing gap so as to be able to sit at the negotiating table while having achieved basic parity. This, in my opinion, confirms the defensive character of NATO.

[Question] But has the United States not requested more concrete aid in order to face the delicate situation that has developed in Southwest Asia?

[Answer] For the time being no one has asked officially for anything of the kind. In any case, requests of this nature are not included in the planning of the alliance. Naturally if that were to happen we would have to carefully study the proposals always keeping in mind that any sort of decision would have to be implemented within the whole of the NATO framework. In short, an action outside of NATO's area of interests is by no means something automatic. Furthermore, it should not be forgotten that we

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are in the Mediterranean, where there is a continuous need for a military presence. For this very reason, now that some units of the American Sixth Fleet have been transferred to the Indian Ocean our navy has had to increase its activity.

[Question] Is there however the possibility that requests of that nature be made?

[Answer] Allow me to confirm to you that for the time being we have not been approached with any requests for support of any eventual operations or for furnishing installations; however, within NATO, procedures dealing with a greater state of readiness to face the recently developed delicate international situation have been examined.

[Question] Namely?

[Answer] We get the impression that the Warsaw Pact is stepping on the accelerator a bit too heavily. As a result, NATO nations have agreed to accelerate the pace of their programs which were already underway. At the Brussels meeting, because of the present international situation, we reconfirmed full solidarity among NATO countries. Mentioned was the commitment to shorten, as much as possible, lead times for the armed forces' modernization programs, in view of the increased deployment of U.S. forces in other theaters brought about by the international situation. To evidence our determination on the readiness matter, we finalized our commitment to increase the defense budget by 3 percent, thus speeding up programs already underway and earmarking more funds for training, as well as worldwide improved efficiency of the armed forces: maintenance, spare parts, supplies, etc. (the expense, for the time being, appears to be limited to about 250 billion lire).

[Question] In other words, one has to pay a price for peace?

[Answer] Precisely. Also, Europe cannot afford to think that America, though being the hub of the Atlantic Alliance, can take on by itself the defense of the West in every corner of the earth. No doubt, Europe cannot be a substitute for the United States, but it can however extend a helping hand. The allied nations must commit forces in a parallel manner to the United States' deployment of forces in other areas, thus avoiding a weakening of the Atlantic forces' structure.

Public Opinion Poll

Milan IL MONDO in Italian 30 May 80 pp 8-11

[Interview with several leading Italian social, political and economic figures by Bruna Bellonzi: "What if Uncle Sam Calls?" Time and place not given.]

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[Text] Just a few months ago, it would have seemed like a hypothesis straight out of a science fiction book. But the Soviet invasion of Afghanistan, the Iranian crisis, the failed American blitz and other grave blows to international detente as well as some statements (only partially correct) made by U.S. Secretary of Defense Harold Brown have made discussions involving the Atlantic Alliance relevant, now more than ever. Lelio Lagorio, minister of defense, immediately declared that "the Italian flag is fine right where it is" and use of Italian forces outside the Mediterranean cannot be considered even in the form of a hypothesis. However, up to what point should Italy consider itself committed by its NATO agreements? Beside polling political circles and parliamentarians, (see article on page 8), IL MONDO posed the question to politicians, labor union officials and officials responsible to international organizations. Here are their answers.

[Question] If the United States were to ask Italy, as a member of NATO, to become militarily involved outside Europe, should one accept or refuse?

Walter Mandelli, vice president of Confindustria [General Confederation of Italian Industry]: "I don't think this question is particularly relevant at this time. In any case, the defense of democracy in the world presupposes an activity of a concerted nature, not subject to the effects of individual, single thrusts. I feel that the Western World ought to be more united and should, above all, improve its overall capacity to act in a determined fashion in situations characterized by an upset balance. Up to now, I feel, we have moved a bit like a bull in a china shop."

Gianni Baget Bozzo, political observer: "Absolutely refuse. The NATO charter is of a defensive character limited exclusively to the European area. Furthermore, in the past there have been occasions when European nations have become involved abroad (I make reference to the French involvement in Indochina) without either the Alliance or the United States becoming involved. In the present situation, I don't believe it possible to say that a historical-political identity exists with regard to the Alliance countries. This is particularly so when compared to oil producing nations. Problems and modes of behaviors are different. To impose an identical behavior pattern on everyone would mean the acceptance of American interests to be of a hegemonic nature within the Alliance."

David Maria Turaldo, theologian: "I am against weapons and against resorting to arms. I would not want to become involved in the problems relating to the question posed by IL MONDO. Rather, I wish to say with regard to this type of dialogue, that I hope no one asks me to take their side."

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Carlo Cassola, writer: "Italy should answer in a negative manner. As president of the League for Unilateral Disarmament, I am against any kind of military commitment and furthermore I favor Italy's egress from NATO. My position with regard to the request of a possible extension of commitment to the Atlantic Alliance therefore is, I believe, unequivocal."

Cesare Merlini, president of the Istituto Affari Internazionali (IAI): "The hypothesis is not plausible. That the United States would ask a single member of the Alliance to assume commitments not called for by the treaty is simply to be excluded. It could happen, on the other hand, that the United States may have commitments outside the Alliance's purview, commitments that call for their lessened presence in this area. Consequently they may ask their allies to help fill the void thus created. In that case, and particularly if the American request were to come as a result of a commitment it assumed to protect European interests (I am thinking of the situation which could develop in the Persian Gulf) the request should be respected."

Giorgio Galli, political observer: "I don't believe the United States would make such a request of Italy."

Altiero Spinelli, deputy to the European Congress: "The NATO commitment is limited to the European area. Therefore, to any request for deployment outside this area one should answer negatively."

Paolo Grossi, president of RAI [Italian Radio-Television]: "Italy should refuse in any case. If reference is made to the situation that could develop in the Persian Gulf, I think the Iranians have every right to decide independently their plan of action, acting in a manner which they view as just and in agreement with their interests, while interference or pressure from either the United States or the USSR would be totally illegal. Not to mention military intervention."

Giuseppe Petrilli, senator, president of the European Movement: "If the request is made within NATO commitments, the answer can only be in the positive: pacts are made to be respected. If the request goes beyond agreed upon commitments, the argument transcends Italy and will call on all of the European community. And in this latter case, the community's interest comes first."

Badioli, Enzo, president of Confederazioni delle Cooperative: "To begin with, it should be stated that the NATO Pact involves only the European area. A U.S. request for the enlargement of the Alliance's area of intervention would thus require a revision to the Treaty."

Loris Corbi, president of the Societa Condontte d'Acqua: "I do not have intimate knowledge of our commitment with regard to NATO accords and therefore I don't know if they deal only with Europe or possibly other geographical areas. If commitments were taken in a responsible manner, I believe they ought to be respected. However the rule 'Salus populi suprema lex esto' remains valid."



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Domenico Rosati, president of ACLI [Christian Association of Italian Workers]: "Outside Europe, no. NATO has some precise geopolitical limits which it must respect. To say no to extra-European commitments also means no to any initiative not decided upon by Europeans. For me, Europe comes before NATO."

Giorgio Benvenuto, secretary general of UIL [Italian Union of Labor]: "Italy is part of NATO and no one intends to repudiate this alliance. However, the pact is strictly of a defensive nature, and I don't believe it possible to interpret the commitments contained therein other than in ambit of the defense of member nations threatened by an outside attack."

Agostino Marianetti, assistant secretary general of CGIL [Italian General Confederation of Labor]: "The Italian minister of defense recently stated that Italian ships are comfortable in the Mediterranean. This is not merely an empty remark, but an important affirmation at an important moment as is the present. This is the time in which the increase of international tension is directly related to pressures for a more direct involvement on the part of Italy in areas which do not take in the defensive nature of the Atlantic Alliance. This statement, furthermore, has been viewed in a positive light at the latest general CGIL conference."

Pierre Carniti, secretary general of CSIL [Italian Confederation of Labor Unions]: "The Atlantic Alliance is of a defensive character and covers a limited geographical area. That is the way it should remain. On this point, furthermore, the Italian government and democratic forces as well have repeatedly expressed their views."

Onelio Prandini, president of the National League of Cooperative: "My answer is: refuse."

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COUNTRY SECTION

FEDERAL REPUBLIC OF GERMANY

COMMUNISTS INFILTRATE TRADE, BANK, INSURANCE WORKERS UNION

Hamburg CAPITAL in German Jun 80 pp 22-24

[Unattributed article: "A Blow From Behind -- Communist Influence in the HBV Union"]

[Text] The DGB is trying to ward off communist infiltration. One of its organizations, the HBV [Trade, Banks and Insurance] Union is permitting it. With the approval of the executive committee, DKP functionaries have been able to take over influential positions.

Bonn's social liberals kept their eyes open and looking straight ahead so as to observe the activities of the new left in elections. And from election day to election day they recorded just how much less than 1 percent of the vote was garnered by the German Communist Party (DKP), founded in 1968. It appeared that this group was in no position to mount a threat.

From this vantage point it was impossible to see what was going on at the rear. Of course, Social Democrat Willy Brandt's first cabinet should have known from experience that communists do not waste their political strength in what are for them hopeless elections; they work to infiltrate areas that no one would suspect.

The suspicions of those who were issuing warnings, chiefly in the security agencies, were considered irrational emotional outbursts in the Bonn of those years. The [Office for the] Protection of the Constitution [BfV] predicted that the DKP would attempt to establish a base in the enterprises and the trade unions. Today this base has been turned into a bastion; The German Trade Union Federation (DGB) must deal seriously with the issue of communist infiltration. It is worsening particularly in a sphere where no one suspected it -- the white-collar Trade, Banks and Insurance Union (HBV).

The communists had only mediocre success with workers' trade unions -- such as the Metalworkers Union -- led by class-conscious Social Democrats.

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Here and there they were able to place on the plant council a man who revealed his communist affiliation only after he had been elected; they also managed now and then to have someone chosen as a delegate to the Trade Union Congress, but not much more than this.

The DKP was forced to acknowledge the fact that it was unattractive to the more middle-class-oriented workers. Moreover, it had to perceive that union leaders like DGB Chairman Heinz-Oskar Vetter, Eugen Loderer of the Metalworkers Union or Heinz Kluncker of the OeTV /Public Service, Transportation and Communications/ Union were keeping to a strictly anticommunist policy within the organization: leftist on social policy, rightist in ideology.

Wherever communists were found trying to climb the ladder, the comrades were promptly isolated. That the DGB bosses also relied on tips from the BfV -- a fact which they are quick to deny officially -- was all right with them: The main thing was that the organization remained clean.

This is not the case with at least one union -- the Trade, Banks and Insurance Union, which is ripe for purging. Things are so bad with this group that the SPD Trade Union Council took up the case as early as last year; belonging to this council are Chancellor Helmut Schmidt, Party Chairman Willy Brandt and the Social Democratic trade union hierarchy. According to Brandt and DGB chief Vetter, the problem is to be pursued by a select group.

Insiders attribute the DKP's successes with the HBV to "management by chaos" on the part of the union executive committee. Specifically, they hold Chairman Heinz Vietheer responsible for the fact that key positions fell uncontested to the wing of communist sympathizers around Guenter Volkmar, Vietheer's vice-chairman. According to confidential information available to the DGB, Volkmar and his intimate associates wield the power at HBV headquarters. Moreover, he is the man who will probably be designated chairman at the 1980 Trade Union Congress.

Meanwhile, the goals of the communists in the HBV are being pursued openly. In the words of the DKP enterprise group of the West German Landesbank in the party newspaper UNSERE ZEIT, in addition to the nationalization of big banking, influential posts must be acquired in the financial institutions. This is because the 203,400 Deutsche Bank stockholders, for example, are not very interested in the analysis of who controls this bank and its activity: "The board of directors affords more of an insight."

Thoughts of this kind are being reflected by the HBV, a fact that underscores just how strong the DKP wing is there. When a group of scholars, presided over by Prof Joerg Huffscheid, a DKP member, published its "Memorandum 79" containing a projection of a communist economic policy, it received spontaneous support from close to 50 of the approximately 200 full-time HBV functionaries.

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Their statement read: "It is our opinion that the democratization of the economy, the democratic formulation of needs and the planning and control of production...is possible...not on the basis of private property."

Among those who signed the statement were the closest associates of HBV chairman-designate Volkmar: In the judgment of Karl Mommer, former business manager of the SPD parliamentary group, regarding those who cooperate with communists, they are more like "Trojan donkeys" than DKP members. For AUSBLICK, the journal for HBV members, also celebrated what Vetter argued vigorously against in a letter circulated to all DGB organizations: that the memorandum coincides "fundamentally with union demands."

It is indeed obvious why a trade union like this particular one could become a special target of DKP infiltration. With a total active membership of about 135,000, the age group between 21 and 30 constitutes the party's greatest reservoir in addition to its organizational offshoots. Most of these are young academics who would not pass muster for entry into the civil service. They therefore seek employment in the largely unprotected private services sector.

The fact is that more and more communists are finding refuge with banks, insurance companies and commercial establishments, where the HBV recruits most of its members. But a substantial number of DKP comrades come from other sectors that are also represented by the union: parties, book stores, publishing houses and travel bureaus as well as housing enterprises. The DKP also maintains these kinds of businesses, and their employees have joined the HBV as a group, thus bringing with them a sizable voting bloc.

While other employee organizations -- the German Salaried Employees Union (DAG), for instance -- make use of their charters to exclude members of "antidemocratic parties," the HBV does not do this. And just how far the basic values have shifted in this union was revealed by HBV press chief Christian Goetz, future member of the executive committee. He considers membership in the DKP and HBV to be compatible, but at the same time he doubts "whether simultaneous membership in the CSU and a DGB union is acceptable, since the CSU constantly questions the uniform trade union, while the DKP does not."

Characteristic of this kind of attitude is the pressure exerted on HBV employees -- in Essen, for instance -- as revealed in a statement by a salaried employee: "The first thing colleague Arne Schumacher asked me about was my political orientation. After I said I was a Social Democrat, he asked whether I could work with DKP colleagues." Why? Because "my employment would be possible only if this cooperation would work."

It works just as well the other way around. When the DGB-owned publishing house fired an HBV member because of membership in the DKP, all the HBV

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secretaries at the Coblenz business office protested with a petition filled with signatures from people all over the country -- even though unsuccessfully. The dismissal was upheld.

Control inside the union is going smoothly, as seen by an example taken from 1978, when the Duesseldorf local administration issued invitations to a meeting for the purpose of naming delegates for elections to the executive committee. The notices were sent out very late, but the HBV communists had them early enough so that Herbert Mies and Jupp Angenfort, top DKP functionaries, were among those who managed to be present. The result was that there were enough DKP delegates to elect, among others, Gustav Trambowsky, member of the DKP Executive Committee, to the union's local executive committee. Interestingly enough, the list of participants used was the one intended to provide an accounting for an educational conference lasting several days and subsidized by public funds. The HBV Main Executive Committee put pressure on two secretaries who had questioned the regularity of the invitations.

A former HBV secretary described the atmosphere in the business offices of the main executive committee in this way: "Constant crisis at the top, uproar over power struggles and the illegal recording of and eavesdropping on telephone conversations, searches for electronic bugging devices in executive committee offices, a series of mysterious thefts in Duesseldorf and Hamburg." The verdict: "It caused this DGB organization to gain a reputation reminiscent of Watergate." Five of the six elected members of this body will be leaving. They have decided not to run for office again at the Trade Union Congress. The ones who will move up are considered a sure thing: All are from Volkmar's circle of close associates.

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COUNTRY SECTION

FRANCE

IMPROVED ARMS CONCEPTION SYSTEM DISCUSSED

Paris ARMEES D'AUJOURD'HUI in French 30-31 May 80 pp 30-31

[Article by Col Louis Voiney]

[Text] Military personnel have operational capacity concerns (efficiency, superiority in adverse environments, reliability, operational conditions etc.)

All these concerns can be included under the broad heading of operational needs. Simple reasoning would call for a prior evaluation of military personnel by requesting precise quantified formulation of their needs. But are they capable of it? Is it even reasonable and realistic to ask for assessment of new armaments by future users? Once the weapon is completed can one be sure that it corresponds exactly to the user's expressed operational needs?

Other questions arise. Is it possible at the design stage to foresee the complete hardware capacity and the optimal utilization organization?

Loop-like End Results

These concerns are increasing, and will undoubtedly keep on increasing, because military hardware is becoming ever more sophisticated.

Components of modern armaments perform complex and ever more integrated functions, interacting with one another in a non-linear manner. Weapons systems themselves are components of a larger system (such as a defense system), with very complex operational constraints. Thus, systems of objective setting, under study in several countries, are characterized by a very close relation between objective setting, locating systems and weapon systems. This develops the need for representation of systems operational capacities which cannot be analytically and synthetically achieved by humans.

Engineers and system analysts are faced with the same complexity when selecting possible solutions. Laws of integration for new, isolated techniques components and sub-systems for compound systems are mostly

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non-linear. This process cannot be separated either from military and budgetary constraints.

New simulation methods are being developed, which permit engineers to foresee results in fine produced by the system (or "loop-like end results to use a more technical expression), without the need for a real system. These new methods help military personnel determine conditions of use, operational constraints and criteria, maneuverability margins, optimal performance and this at the system evaluation stage.

These methods use representation of components or sub-systems operation and proceed with simulation. Elements difficult to quantify a priori (such as operational reactions of weapons system users) can be introduced in the representation process.

This scheme is by now classical and quite well-known. French military specialists in operations research are familiar with the various steps of the process.

However, it seems that the process deprives military personnel from intervening in a timely fashion and specifying their needs. New simulation equipment permits data feeding from military personnel and should solve problems associated with the use of finished products. Technical centers, such as the Centre Electronique de l'Armement, have demonstrated the efficiency of such methods.

These methods are called: Caum (military user assisted conception). It showed that evaluation teamwork (engineer-to-operational user) can become a reality and need not remain a staff and technical personnel dream.

The various simulation techniques are now so advanced as to allow the necessary symbiosis and flexibility for data feeding.

How and Why?

Former evaluation methods provided solutions and answers from statistical results of utilization conditions foreseen by the user. They also anticipated model simulation for all projects that were expensive, uncertain and affected by delays.

These analogical simulations are still used today, but they lack flexibility and efficiency. Modeling is not the best adapted solution to operational representation of complexly interconnected elements.

Only analytical modeling makes it possible to vary utilization data and system characteristics to draw results with sufficient statistical value. This type of modeling expresses operational functions through logical or mathematical laws and calculates them.

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The operation of elaborate models, simulation techniques and devices and the use of more and more integrated and complicated systems have been made possible through considerable progress in data processing. This progress increased cost, performance and space occupancy. In parallel, this influenced weapons system development, including more and more calculators permitting greater flexibility by replacing part of the equipment by logistical devices and emphasizing simulation techniques.

It is now possible for military personnel to participate in weapon systems conception and evaluation studies.

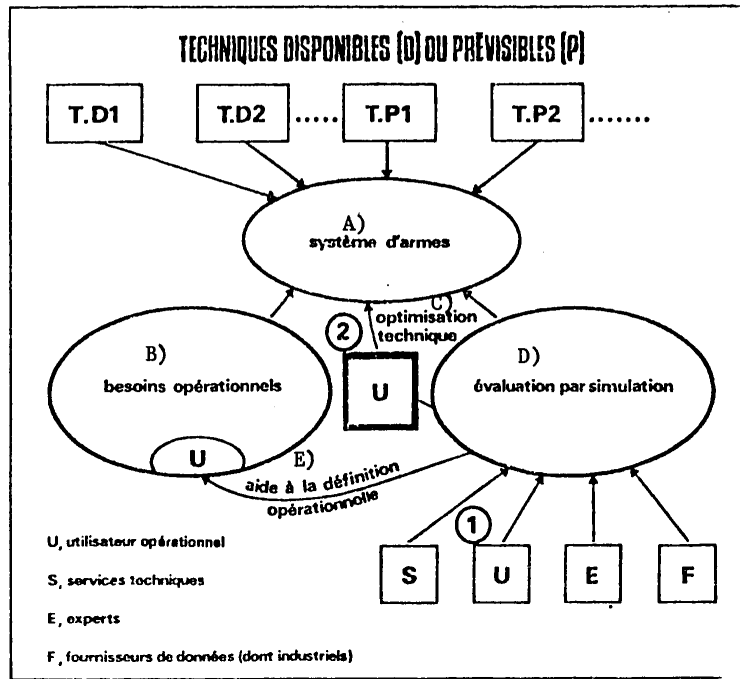
It is possible to be integrated in a simulation scheme to develop a very realistic scenario matching the user's operational responses. It also offers the possibility to accurately quantify and specify operational needs. Consequently, the user has the possibility to explore as closely as possible specifications which appeared complicated at first, and he may do this by proceeding himself to the parametric screening.

The user is not directly involved in the system operation as an element of functional relation between two sub-systems. He is essentially concerned by the system's terminal efficiency and environmental conditions of operation. The user can now visualize partial results supplied by sub-systems and provide an operational rating, at any time and as many times as desired. The user can foresee and study utilization tactics from the conception stage which can lead to insertion of modifications to specifications. These possibilities became reality because of growth in the capacities of computers, increases in modelling experience, systems conceivers concerned with models, mastery of interface technologies, reliable screen representation and conversational systems. These developments open an extraordinary field of exploration for interactive machines. These methods of military user-assisted conception (caum) are still at the development stage. Will it be possible to generalize them to respond fully to the military personnel's concerns?

Imagination and goodwill (intimately connected with technology developments) should allow association of military users with evaluation and conception of weapon systems.



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Available or Anticipated Techniques

Key:

- T.D1=available technique # 1
- T.D2=available technique # 2
- T.P1=anticipated technique # 1
- T.P2=anticipated technique # 2
- (A) Weapons system
- (B) Operational requirements
- (C) Technical optimization
- (D) Evaluation by trial
- (E) Aid to operational definition
- U = operational user
- S = technical services
- E = experts
- F = data suppliers (including manufacturers)

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#### Biography

Colonel Louis Voiney graduated from Saint Cyr in 1948 in naval artillery. He is a graduate of the staff College in superior technical studies and engineering. He is presently a consultant on military affairs for the Centre Electronique de l'Armement. Previously he worked for many years in the central administration of the armed forces staff and in the ministerial delegation for armaments (he was chief of a scientific research division at D.R.M.E.) before commanding a regiment.

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COUNTRY SECTION

ITALY

TEXT OF 1980 FINANCIAL LAW PROVISIONS

Milan IL SOLE-24 ORE in Italian 1, 4, 6 May 80

[1 May 80, p 9]

[Text] We are commencing publication of the complete text of Law No 146 of 24 April (in the GAZZETTA UFFICIALE No 115, 28 April) -- better known as the 1980 Financial Law -- which specifies provisions for drawing up the State's annual and pluriannual budget.

Appendices [not included]

The GAZZETTA UFFICIALE, No 115, 28 April, publishes three tables as appendices to the 1980 financial law:

Table A: Amounts to be included in the budget in connection with authorizations for expenditure carried over from the pluriannual laws.

Table B: List of the items to be included in the above-line part of the Special Fund.

Table C: List of the items to be included in the capital account of the Special Fund.

Provisions in Tax Matters

Article 1

The following replaces subparagraph c in the first paragraph of article 10 of Decree No 597, of 29 September 1973, of the president of the Republic, in the text replaced by article 5 of Law No 114, of 13 April 1977:

"c. Interest receivable paid to persons residing in the territory of the State or to permanent organizations in the territory of the state of non-resident persons derived from loans or agricultural loans of any kind, and also interest receivable and accessory fees paid to those same persons

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derived from mortgage loans on real estate for which a deduction is allowed for a total amount not greater than 4 million lire, with the exception of what is specified in the fourth paragraph of article 58."

The amount of 2 million lire stated in the first paragraph, subparagraph 1, of the above-mentioned article 10, is increased to 2.5 million lire.

The provisions of the above paragraphs are applicable to obligations incurred from 1 January 1980.

Article 2

Subparagraphs 1 and 2 of the second paragraph of article 15 of Decree No 597, of 19 September 1973, of the president of the Republic, and subsequent modifications, are replaced by the following:

"1. 108,000 lire for not legally and actually separated spouse who has no income of his or her own, excluding exempt income and income subject to withholding at the source by way of tax, for an amount greater than 960,000 lire on the gross deductible obligations;

"2. The following amounts for minor children or adopted children:

12,000 lire for one child.  
24,000 lire for two children.  
36,000 lire for three children.  
48,000 lire for four children.  
72,000 lire for five children.  
108,000 lire for six children.  
144,000 lire for seven children.  
228,000 lire for eight children.  
108,000 lire for any additional child.

"The deduction is also applicable to children permanently incapable of working and to children not over 26 years old engaged in studies or free apprenticeship, provided they have no income of their own greater than 960,000 lire. If one of the spouses does not have income amounting to over 960,000 lire, the deduction for children is applicable to the other spouse in double the amount. In case there is no spouse, the deduction referred to in 1, above, is applicable to the first child and the deductible amount depending on the number of children is doubled and this amount is reduced by 24,000 lire."

In article 16 of Decree No 597, of 29 September 1973, of the president of the Republic, and subsequent modifications, the amount of 84,000 lire, specified in the first paragraph of a, is raised to 168,000 lire, and the amounts of 102,000 lire and 84,000 lire specified in the second paragraph are raised, respectively, to 186,000 lire and 168,000 lire.

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In the second paragraph of article 9, of Law No 825, of 9 October 1971, in the first sentence the words "will be calculated for four-tenths" are replaced with the following: "will be calculated for seven-tenths."

In article 48 of Decree No 597, of 29 September 1973, of the president of the Republic, and subsequent modifications, the rate of 40 percent, specified in the fourth paragraph, is raised to 70 percent.

The provisions included in the present article become effective as of 1 January 1980, with the exception of what is specified by the temporary provisions of the present law.

Article 3

Effective as of 1 January 1980, persons with income derived from wages or salary and with income covered by article 47, first paragraph, subparagraph a, of Decree No 597, of 29 September 1973, of the president of the Republic, and subsequent modifications, not exceeding in itself and with other income the total gross amount of 2.5 million lire, are entitled to a further tax deduction of 52,000 lire a year, for the year's work period. The deduction is also applicable to the effects of the next to last paragraph of article 23 of Decree No 600, of 29 September 1973, of the president of the Republic. Likewise effective as of 1 January 1980 articles 59 of Law No 843, of 21 December 1978, and Decree-Law No 663, of 30 December 1979, converted, with modifications, into Law No 33, of 29 February 1980, are repealed.

Article 4

For real estate units intended for residential use, owned by the taxpayer, in addition to the one used as principal dwelling, and used as secondary residences or at any rate held available to himself, income from the buildings determined in accordance with article 88 of Decree No 597, of 29 September 1973, of the president of the Republic, is increased by a third, effective as of 1 January 1979. Real estate units assigned to professional use are exempt from the increase.

Starting on that same date, the increase specified in the preceding paragraph is also applicable to real estate units owned by persons other than private individuals, that do not form capital goods in the sense of articles 40 and 52, second paragraph, of Decree No 597, of 29 September 1973, of the president of the Republic, and that are not used for renting.

Owners of real estate units for which the assessment declaration has not been submitted are subject, if they do not declare the pertinent income and this income is in excess of 800,000 lire a year, to a fine at the rate of 30 percent of the ascertained income. The same fine is applicable to those who fail to declare income from rural constructions assigned for use different from the use specified in article 39 of Decree No 597, of 29 September 1973, of the president of the Republic, and for which the assessment declaration has not been submitted to the urban building

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assessor's office, provided this income exceeds the above-mentioned amount of 800,000 lire. The penalties for omission, incompleteness or dishonesty in the declaration of income remain unaffected.

Anyone not declaring income from buildings exempt from the local income tax or declaring them at a rate lower than over one-third of their amount, loses the benefit of exemption starting in the first tax period for which he has committed the infraction. The penalties for omission, incompleteness or dishonesty in the declaration remain unaffected.

Article 5

The Deposit and Loan Bank is exempt from the income tax on corporations.

The provision contained in the present article is also applicable to past fiscal years.

Urgent Measures for Reducing Evasion in 1980

Article 6

The first paragraph of article 37 of Decree No 600, of 29 September 1973, of the president of the Republic, is replaced with the following:

"On the basis of selective criteria determined annually by the minister of Finance, taking also into account their operational capability, tax offices will proceed to examine declarations and to single out persons who have failed to submit data and information in the appendix in connection with the preceding articles and by means of the declarations specified in article 6 and 7, from data gathered by and reported by the tax register office and from information that they have at any rate."

The following sentence is added to the first paragraph of article 51 of Decree No 633, of 26 October 1972, of the president of the Republic, and subsequent modifications: "Examination of declarations submitted and the singling out of persons who have failed to submit them are made on the basis of selective criteria specified annually by the minister of Finance, also taking into account the operational capability of the offices themselves."

Article 7

The article in Decree-Law No 260, of 6 July 1974, converted, with modifications, into Law No 354, of 14 August 1974, to replace article 2 of Law No 160, of 2 May 1976, is replaced with the following:

"Because the powers assigned by the individual tax laws to the Financial Administration agencies are still effective with regard to inspection, examination and verification, the Finance Guard proceeds to make overall

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examinations for all taxes with regard to persons selected by means of a drawing.

"Drawing is conducted in accordance with criteria determined annually with a decree of the Ministry of Finance, in the area of economic and professional categories, with regard to the volume of business resulting from the annual declarations submitted by payers of the value added tax or with regard to declared income for purposes of the pertinent taxes, or with regard to indications of consistent tax evasion detectable from differences between the taxpayers' declarations and the checks made by tax offices and also specific indications of tax capability derived also from sources outside the Financial Administration. With the same decree, the minister of Finance may specify that up to 10 percent drawings will be conducted with regard to persons subject to taxation in general.

"It may be specified, by means of the decree mentioned in the preceding paragraph, that examination will be extended to administrators and partners of companies and to members of the family group of private individuals drawn by lot.

"The examinations specified in the preceding paragraphs may be performed, with the above-mentioned criteria and procedures, also by mixed groups of officials of direct tax and indirect tax on business administrations, established by decree of the minister of Finance."

Article 8

Service centers are established under the Ministry of Finance in a number not greater than 15. Service centers receive declarations and certificates in lieu thereof submitted for income tax purposes. They handle payment of taxes due and pertinent examinations, refunds and preparation of payment rolls. They also handle examination of payments to tax collectors and to credit institutions and they keep files of declarations and certificates in lieu thereof.

Provisions required for ensuring that service centers for operations in the Rome and Milan areas will begin to operate by 31 December 1980 are issued by means of decrees of the minister of Finance. The expenditure of 45 billion lire is authorized for 1980.

The government of the Republic is delegated to issue, by 30 November 1980, after consultation with the committee provided by the first paragraph of article 17 of Law No 825, of 9 October 1971, on proposal by the president of the Council of Ministers, in agreement with the ministers of Interior, Finance, Treasury and Budget and Economic Planning, one or more decrees with the weight of an ordinary law for the following purposes:

1. To specify the territorial jurisdiction of the service centers, with attention to the best operating size, the density of taxpayers in the territory and existing infrastructures.

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2. To specify the relationship of the service centers with taxpayers and with the other central and peripheral offices of the Financial Administration, determining their organic and functional dependence, taking into account the need for separating the specific functions of checking from other tasks pertaining to the administration, settlement of declarations and examinations connected with the taxes due.

3. To integrate the personnel allowances of the personnel rolls of the Financial Administration within the maximum limit of 5,000 persons and to provide for covering the pertinent posts by means of accelerated procedures, to be accomplished even by departing from the provisions of a general nature in effect with regard to public competitive examinations, and also by means of special competitive examinations, also by rights alone reserved for employees on the next lower career rolls of the Financial Administration.

If the committee mentioned in the preceding paragraph does not express its own opinion within 45 days from initiation of the decree drafts, the government decides all the same, reporting its action to Parliament.

For the purpose of providing service centers with the requisite property, the minister of Finance is authorized to take action by means of building, buying or leasing real estate.

Construction of structures requiring special security measures can be entrusted in concession to companies in which the state participates predominantly directly or indirectly.

Areas belonging to the state's property or, if there are none, areas acquired by means of expropriation for public utility or by sales contract or exchange, to which the provisions of Royal Decree-Law No 2,000, of 10 September 1923, converted into Law No 473, of 17 April 1925, apply, even when the areas to be transferred to the state are worth more than the state's property to be exchanged with them, are assigned to the construction of buildings, mentioned in the preceding paragraphs.

Construction of buildings, referred to in the preceding paragraphs, is declared to be for public utility, urgent and impartial, and, until their execution is completed, the provisions of Law No 1, of 3 January 1978, are applicable.

The minister of Finance is authorized to draw up contracts or agreements for the acquisition of technical means, furnishings, equipment and services, including services pertaining to acquisition of data on magnetic tape and to forwarding of records and documents required for operating the centers.

Lease contracts for buildings and the contracts and agreements referred to in the preceding paragraph are drawn up and the pertinent expenditures are made even by departing from the state's rules on accounting, excluding any kind of operation outside the budget.



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Article 9

The central service of tax inspectors is established under the Financial Administration and directly responsible to the minister of Finance.

The central service of tax inspectors is responsible for the following:

- a. Supervises the checking activity of offices by making use also of departmental inspectors with territorial jurisdiction. It also supervises the verifications performed by the Finance Guard.
- b. In order to perform the supervision referred to a, above, better, it may, as a special procedure, require verifications and examinations and it may intervene in verifications in progress by offices and the Finance Guard.
- c. As a special procedure, it handles verifications and examinations pertaining to taxpayers with regard to whom there are grounds for suspecting large-scale evasion.
- d. It makes proposals to the minister of Finance for preparation and implementation of verification programs.

The central service of tax inspectors [forwards] to the pertinent tax offices reports, information and data acquired and the results of verifications performed. Tax offices must take into account every item disclosed in the process of verification.

Article 10

Not more than 50 inspectors are assigned to the service. They are selected as follows:

- a. Forty percent from Financial Administration employees with a rank not lower than first manager.
- b. Up to 20 percent from persons not members of Civil Service and the rest from employees of other state administration with a rank not below first manager and from persons referred to in Law No 392, of 24 May 1951, with a position not lower than appellate court judge or the equivalent, who have demonstrated a high degree of competency and professional experience in one or more of the fields of finance, taxation, accounting and business.

Inspectors are appointed by decree of the president of the Council of Ministers on proposal by the minister of Finance, with the advice of the Higher Finance Council.

Tax inspectors are appointed for 7 years and the appointment is renewable once only. Inspectors drawn from personnel covered by Law No 392, of 24 May 1951, are placed off the roll for the duration of the appointment.

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Posts left open by inspectors coming from Civil Service are regarded as available for purposes of promotions to be granted.

Article 11

Executives of the service of tax inspectors are the director of the service and the Coordinating Committee.

The functions of service director are assigned by the minister, in accordance with article 15 of Decree No 748, of 30 June 1972, of the president of the Republic, to an inspector selected from a group of three nominated by the inspectors. The service director is in charge of personnel administration and of execution of the deliberations of the Coordinating Committee. He manages operating expenditures in the state budget and included, in a single chapter, in the budget of the Ministry of Finance.

The Coordinating Committee consists of the service director as chairman and six inspectors elected by the inspectors themselves, a senior officer of the Finance Guard, selected by the minister of Finance from a group of three nominated by the General Committee of the Finance Guard, and also the director general of direct taxes, the director general of indirect taxes and levies on business, the director general of customs and of indirect taxes and the director general of general affairs and personnel.

On the basis of directives issued by the minister of Finance, the Coordinating Committee established rules for its own operation and for operation of the service. It adopts criteria for programing and coordinating the inspectors' activity. It reports periodically to the minister on the activity performed by the service. It forwards to the cognizant financial offices facts brought out as a result of the activities performed by the inspectors in accordance with subparagraphs a, b and c of the second paragraph of article 9. It draws up proposals to the minister for adoption of measures with regard to Financial Administration personnel responsible for criminal or administrative irregularities detected in carrying out the supervisory activity.

Inspectors perform the duties covered by subparagraph a of the second paragraph of article 9 with powers of vigilance and supervision assigned to executive personnel of the Financial Administration and duties covered by the subsequent subparagraphs b and c of the same paragraph with the powers assigned to the Financial Administration by Decree No 6000 [sic], of 29 September 1973, of the president of the Republic, and other tax laws. Departing from article 35 of the same decree, they are not obliged to request the opinion of the departmental inspectorate of taxes.

Inspectors must observe professional secrecy and abstain from business in which they themselves or their relatives and kin have an interest. They may not perform professional or consultant activities or hold public office of any kind. Failure to avoid conflict of interest is cause for dismissal from the post.

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Article 12

Inspectors appointed from persons not belonging to Civil Service are entitled to pay equal to the pay of a C-grade general manager. Inspectors appointed from persons belonging to Civil Service and from personnel covered by Law No 392, of 24 May 1951, with pay lower than the pay of a C-grade general manager, are granted, for duration of the appointment, a supplementary, nonpensionable allowance equal to the difference between the pay of a C-grade general manager and the pay received in the position of origin. This last-mentioned pay is retained, even though it is a larger amount.

In addition to the pay covered by the preceding paragraph, inspectors are entitled to a special nonpensionable duty allowance for an amount equal to the stipend of a C-grade general manager. The allowance and remuneration also apply to the Christmas bonus.

The same allowance is granted to general managers in the Ministry of Finance and to the senior officer of the Finance Guard as members of the Coordinating Committee.

Not more than 200 employees are assigned to the service, appointed by decree of the minister of finance, half from executive career personnel of the Financial Administration and the other half from upper grade Financial Administration career personnel. They are entitled to a special duty allowance, nonpensionable, equal to 50 percent of the pay received, excluding the special supplementary allowance and temporary allowance covered by Law No 412, of 19 June 1997 [sic; 1979?].

In performing verification activities specified in subparagraphs b and c of the second paragraph of article 9, each inspector may request the collaboration of officers and noncommissioned officers of the Finance Guard assigned by General Headquarters in a contingent determined annually by a decree of the minister of finance. In the request, the inspector must state the period of time during what he intends to use the collaboration.

For 1980, the appropriation for the central service of tax inspectors is fixed at 7 billion lire.

Article 13

The organic personnel allowances of the Financial Administration are increased by a total of 1,300 posts, 600 of which are assigned to the executive career roll of the peripheral direct taxes administration, 300 to the executive career roll of the peripheral indirect taxes on business administration -- personnel in register offices and departmental inspectorates -- 50 to the executive career roll of the peripheral administration of customs and indirect taxes -- administrative personnel in Customs -- 50 to the upper grade career roll of technical manufacturing tax offices -- accountants -- 150 to the executive career personnel roll

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of Customs, 50 to the executive career personnel roll of technical manufacturing tax offices, 100 to the auxiliary career personnel roll of Customs. These increases do not entail, in any case, reabsorption of supernumerary posts in existence at present. The provision specified in article 2, third paragraph, of Law No 397, of 4 August 1975, is also applicable to the management career roll of Customs. The new personnel staff positions on the above-mentioned rolls are determined by decree of the Ministry of Finance, in accordance with the criteria established by current provisions on the legal status of the civilian personnel of the state.

Provision is made for covering the posts created as an increase by the preceding paragraph on the management career and upper grade career rolls with the procedures provided by articles 7 and following of Law No 397, of 4 August 1975, or by means of conferring the posts themselves by competitive examination already announced but not yet held on the effective date of the present law, or by means of special competitive examinations consisting of aptitude tests whose procedures and modalities are specified by pertinent announcements and that can be held also on a decentralized territorial basis and departing from the currently effective general rules on public competitive examinations.

A total expenditure of 13 billion lire is authorized for 1980 to implement the present article.

Article 14

An outlay of 9 billion lire is authorized for 1980 to be included in the appropriate chapter of the budget estimate of the Ministry of Finance for the acquisition of technical facilities, furnishings and equipment and for furnishing forms and the services required for operating the tax offices, in addition to the usual furnishings provided by current provisions.

For 1980, the minister of finance and officials with managerial status are authorized, within the scope of the powers provided by Decree No 748, of 30 June 1972, of the president of the Republic, to make contracts and agreements with one or several agencies, firms and companies offering suitable guarantees of reliability for the acquisition of technical facilities, furnishings and equipment and for furnishing forms and services mentioned in the preceding paragraph, up to the amount of 9 billion lire, even by departing from the rules on general accounting of the state and from article 14 of Law No 1140, of 28 September 1972, excluding any kind of operation outside the budget.

Article 15

With regard to civilian personnel of the state on the rolls of the Ministry of Finance and transferred to another position owing to service requirements, the amount of the first relocation allowance is increased to 500,000 lire in addition to three monthly payments of the special supplementary allowance in effect at the time of transfer.

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The pay provided by the first paragraph of article 1 of Decree No 513 of 16 January 1978, of the president of the Republic, and by article 1 of Law No 417, of 26 July 1978, stops with regard to the personnel referred to in the preceding paragraph, after the first 360 days of continuous duty in the same locality.

Article 16

For purposes of meeting the urgent, inevitable need for modernizing the structures of the peripheral administration of Customs and of indirect taxes, an appropriation of 40 billion lire is included in the budget estimate of the Ministry of Finance for 1980. In connection with that appropriation, the Ministry of Finance is authorized to acquire and construct, directly or through agencies, even departing from the rules on general accounting of the state, buildings and appurtenances connected with them to be used as buildings for the central chemical laboratory of Customs and indirect taxes in Rome and for Customs in Brescia, and also buildings of an economical type to be used for quarters for the exclusive use of civilian employees on duty in the peripheral offices of that same administration.

The provisions covered by articles 2, 3, 5 and 6 of Law No 329, of 27 June 1949, are observed, replacing the jurisdiction of chief financial officer, provided for in article 3, with the jurisdiction of the head of the customs district.

Article 17

During absence of the regular person in charge, owing to vacancy in the post or for any other reason, management of offices of the peripheral administrations of the Ministry of Finance, to be filled by an official of the grade of senior manager, it may be assigned, temporarily and by action of the cognizant director general, to an official of the appropriate executive career holding the grade of first manager and with at least 3 years seniority in that grade.

In the same situation and with the same procedures covered by the preceding paragraph, management of the offices of the peripheral administrations of the Ministry of Finance, which is assigned by law to an official of the corresponding executive career, may be assigned to an official whose grade is not lower than assistant division head or the equivalent.

[4 May 80, p 11]

[Text] We continue publication -- begun in the issue for Thursday 1 May -- of the complete text of Law No 146, of 24 April, (published in the GAZZETTA UFFICIALE, No 115, 28 April) -- better known as the 1980 Financial Law -- specifying provisions for preparing the state's annual and multiannual budget.

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Article 18

The following modifications are made to Decree No 600, of 29 September 1973, of the president of the Republic:

The third and fourth paragraphs of article 44 are replaced with the following:

"The commune of residence for tax purposes of a taxpayer availing himself of collaboration of tax advice if instituted, may call to the attention of the direct tax office any incorporation of items contained in the declarations submitted by individuals in accordance with article 2, indicating important data, facts and items and providing any appropriate documentation capable of proving it.

"For this purpose, the town council may see, in the tax office, the attachments to the declarations already forwarded to it by that same tax office. Important data, facts and items, proved by appropriate documentation, may be pointed out by the town council also in case of omission from the declaration.

"The commune of residence for tax purposes of a taxpayer for whom the tax office has notified an intention to check in accordance with the second paragraph may also propose an increase in taxable income, indicating, for each income classification, important data, facts and items for determining the taxable increase and supplying any appropriate documentation capable of proving it. The proposal for an increase adopted by resolution of the town council, with tax advice if instituted, must reach the tax office, under penalty of forfeiture, within 90 days from receipt of the report stated in the second paragraph. The resolution of the town council is for immediate execution."

The sixth paragraph of article 44 is replaced by the following:

"On expiration of the 90-day period referred to in the fourth paragraph, the tax office proceeds to make notification of the checks for which either proposals have been made by the commune for an increase or the commune's proposals have been approved by the office itself."

The following is added after the last paragraph of article 44:

"In execution of the procedures specified in the third and fourth paragraphs, the commune may request data and information from administrations and public agencies, which are obliged to respond free of charge."

Article 19

The third paragraph of article 22 of Decree No 643, of 26 October 1972, of the president of the Republic, and subsequent modifications are replaced with the following:

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"Correction proposals not agreed to by the office must be forwarded to the committee referred to in the next paragraph and operating at each office. It decides on the individual controversial items. If the committee does not decide within 45 days from the date of forwarding of the proposal, the office proceeds to make a check, with the advice of the technical revenue office in whose district the individual property is located."

The following is added after the third paragraph of article 22 of Decree No 643, of 26 October 1972, of the president of the Republic, and subsequent modifications:

"A committee for examining the commune's proposals is established at each register office. The provisions of article 45 of Decree No 600, of 29 September 1973, of the president of the Republic, are applicable to it."

Article 20

The minister of Finance may call into temporary duty until reaching the age limits for absolute release from active duty and at any rate not beyond 31 December 1985, with the consent of the parties concerned and in excess on the personnel rolls, noncommissioned officers and soldiers of the Finance Guard who will cease their permanent or continuous active duty because of age or else are on temporary duty from the effective date of the present law until 31 December 1984, with the exception of those who are included in the contingents formed in accordance with Decree-Law No 261, of 8 July 1974, converted, with modifications, into Law No 355, of 14 August 1974.

Provisions Pertaining to Social Security and Employment

Article 21

The contribution by the state to the routine management of the Unemployment Fund of workers in industry and to the Pension Fund of dependent workers in the National Social Security Institute, specified by article 12 of Law No 164, of 20 May 1975, is established at 80 billion lire for fiscal year 1980.

Article 22

Programs and projects prepared in implementation of Law No 285, of 1 June 1977, and subsequent modifications and incorporations, and in accordance with the Community rules governing operation of the European Social Fund, are submitted by the Ministry of Labor and Social Welfare to the Commission of the European Community to obtain the pertinent contributions.

Projects connected with the incentives referred to by article 14 of Law No 183, of 2 May 1976, are also submitted by the Ministry of Labor and Social Welfare, for the purpose of obtaining Community contributions.

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The contributions referred to in the first paragraph go into the state budget for inclusion in the budget estimate of the Ministry of Treasury for incorporation in the appropriations provided for fiscal years 1979 and 1980 by article 29 and 29-a of Law No 285, of 1 June 1977, and subsequent modifications and incorporations.

Community contributions referred to in the second paragraph are reassigned to the pertinent chapter in the budget estimate of the Ministry of Labor and Social Welfare specified by article 26 of Law No 845, of 21 December 1978, for supplementary financing of special projects.

Contributions from the European Social Fund obtained for the incentives referred to by article 9 of Law No 285, of 1 June 1977, and subsequent modifications and incorporations, are allocated to employers receiving those incentives.

Article 23

In accordance with the second and third paragraphs of article 22 of Law No 845, of 21 December 1978, the total financing by the state for occupational training activities coming under the state's jurisdiction and for remaining occupational training activities performed in regions under special statutes and also for financing the Institute for Development of Occupational Training of Workers (ISFOL) is fixed at 30 billion lire for fiscal year 1980.

Provisions Pertaining to Public Works and Justice

Article 24

In order to provide for completion of work in progress, under the state's jurisdiction and financed with special laws, including obligations due and coming due because of revision of contract prices, expropriation indemnity, variation or supplementary appraisals, settlement of disputes administratively or legally and the value-added tax specified by article 18 of Decree-Law No 376, of 13 August 1975, converted, with modifications, into Law No 492, of 16 October 1975, the outlay of 15 billion lire is authorized for each of fiscal years 1980 and 1981 to be included in the budget estimate of the Ministry of Public Works for those same years.

Article 25

For purposes of implementing the intervention program referred to by Law No 1133, of 12 December 1971, Law No 404, of 1 July 1977, for construction, completion, adaptation, exchange, and also the acquisition of real estate to be used by prevention and penal institutions, the further total expenditure of 150 billion lire is authorized, to be included in the budget estimate of expenditures of the Ministry of Public Works in 1981 and 1982.



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Article 26

The Ministry of Public Works, in agreement with the Ministry of Justice, for completion of plans for modernizing penitentiary buildings, is authorized to prepare procedures for competitive contracting for the construction of new prevention and penal institutions.

The rules covered by article 2 of Royal Decree-Law No 1396, of 28 August 1924, converted into Law No 1013, of 27 May 1926, are applicable. The opinion of the committee referred to in the same article is supplemented by any other opinion.

The institutions and also the financial obligations will be indicated by the Ministry of Justice in agreement with the Ministry of Public Works and the Ministry of Treasury.

Article 27

The outlay of 150 billion lire, to be included in the pertinent chapter of the budget estimate of expenditures of the Ministry of Justice, is authorized for 1980 for the acquisition of goods, fittings and services, for the preparation of structures and for any other urgent operation for the administration of justice, also with regard to the situation of the reform of criminal procedure.

For this purpose, the minister of Justice and officials of managerial grade are authorized, within the sphere of powers provided by Decree No 748, of 30 June 1972, of the president of the Republic, to make contracts, including leases, and agreements, up to the amount of 1 billion lire, with one or more agencies, companies, or persons offering suitable guarantees of reliability, even departing from the rule on general accounting of the state and article 14 of Law No 1140, of 28 September 1942, excluding any kind of operation outside the budget.

The expenditure of 5 billion lire is authorized for 1980, to be included in the pertinent chapter of the budget estimate of expenditure of the Ministry of Justice, to be used for expenditures and fees for consultations, documentation, publications, printing, dissemination, instruction, studies and research.

With the advice of the administrative council, the minister of Justice may also acquire, for that purpose, in matters under his jurisdiction, the collaboration provided by articles 3, 4 and 5 of Decree-Law No 428, of 24 July 1973, converted into Law No 497, of 4 August 1973.

Article 28

Within the scope of investments that may be made in accordance with currently effective regulations with regard to local finance, communes may make contracts with the Deposits and Mutual Loans Bank for execution of

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construction of new judiciary buildings or for reconstructions, restructurings, height raisings, completions, expansions or restorations of commune-owned buildings used for or to be used for judiciary offices, and also for acquiring, also by private negotiations, buildings under construction or already built, even though they have to be restored, restructured, completed or expanded to make them suitable for judiciary use, to be used for judiciary offices.

Communes may also make contracts with the Deposits and Mutual Loans Bank for greater obligations resulting from constructions, reconstructions, height raisings, expansions, restorations or special maintenance of buildings to be used as a magistrate's courthouse.

For purposes of granting the loans referred to in the two preceding paragraphs, communes must attach to a request for financing certification, signed by the commune secretary, that the project for executing the work has had a favorable opinion from the Ministry of Justice.

The Ministry of Justice sees to encouraging -- also with the collaboration of the ANCI [National Association of Italian Municipalities] -- timely submission of projects and to providing, when necessary, the necessary technical assistance, so that an outlay of 500 billion lire can be attained in 1980, within the framework of the above-mentioned provisions.

If the communes are no longer able to assume loans in accordance with Decree-Law No 702, of 10 November 1978, converted, with modifications, into Law No 3, of 8 January 1979, the obligation of amortizing the loans referred to in the preceding paragraphs is assumed, entirely or for the excess part, by the state budget.

Provisions for the South

Article 29

For the purpose of ensuring full functioning of operations already started and not completed of the Fund for the South, and also for guaranteeing special financing of regional development programs of the South regions, the CIPE [Interministerial Committee for Economic Planning] approves, within 60 days from the effective date of the present law, a special program of operations amounting to a total of 1,500 billion lire to be distributed among the following public administration agencies:

a. ANAS [National Road Board] for the functional completion and preparation of highway sections already started, including connecting and interchange sections under the jurisdiction, until expiration of Law No 183, of 2 May 1976, of the Fund for the South. Programs are approved with the procedure covered by article 46 of Law No 843, of 21 December 1978.

b. The Regional Development Fund referred to by article 12 of Law No 281, of 16 May 1970, for financing regional development programs in the South

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regions, and also for completion of operations for building workers' houses assigned to the Fund for the South by virtue of article 163 of the single text approved by Decree No 218, of 6 March 1978, of the president of the Republic, and also for soil protection jobs and, in particular, for laying out catchment basins. The amount of 150 billion lire is reserved, within that fund, for tourist-environmental improvement of parks and of areas with the value of a natural asset in the South regions.

Starting in 1981, provision is made for the outlay referred to in the preceding paragraph by means of suitable appropriations to be included in the budget estimate of expenditure of the Ministry of Treasury. The appropriation for 1981 is fixed at 100 billion lire.

Article 30

The amount of 1,500 billion lire within which the Fund for the South is authorized, in accordance with article 22 of Law No 183, of 2 May 1976, to assume obligations in the 1976-1980 5-year period in excess of the total subsidy provided by that same article 22 for the same period, already increased by 3,500 billion lire by article 47 of Law No 843, of 21 December 1978, and subsequently raised by 1,800 billion lire, to be used for carrying out special programs and industrial infrastructures.

The obligations stemming from the granting of subsidies in capital account and in interest account provided by Law No 183, of 2 May 1976, for industrial initiatives carried out in southern territories, may burden, in fiscal year 1980, the assets of the National Fund for Credit Furnished to the Industrial Sector -- established in accordance with Decree No 902, of 9 November 1976, of the president of the Republic -- to be used for activities in southern territories.

In the hospital sector, the Fund for the South is authorized, up to a total of 200 billion lire, to perform activities for the completion and functional equipping of health structure already accomplished in a limited way in rural areas, either totally or partially, and also construction and equipping of buildings, services and offices indispensable for activating the existing hospital complex.

Starting in fiscal year 1981, the increased obligations referred to in the preceding paragraphs will be handled by means of suitable appropriations to be included in the budget estimate of expenditure of the Ministry of Treasury. For 1981, the appropriation is fixed at 400 billion lire.

Article 31

The expenditure of 60 billion lire is authorized for 1980 and 50 billion for 1981, 1982, 1983 to grant subsidies in capital account to communes or their consortia that are undertaking initiatives in the territories covered by article 1 of the single text approved by Decree No 218, of 6 March 1978, of the president of the Republic, to transform existing methane

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gas networks or to construct new networks for distributing methane gas in communal territory.

The supplementary subsidy to be granted, up to a limit of 30 percent of the estimated expenditure, by decree of the Ministry of Industry, Commerce and Handicrafts that provides it, with the advice of the standing committee on energy and favorable resolution by the CIPE.

A request for a subsidy must be accompanied by a detailed technical plan.

Miscellaneous Provisions

Article 32

For the disabled registered under the first category with a superdisability allowance, the new measures of special supplemental allowance, resulting from application of unit values covered by the fourth paragraph of article 74 of the single text of the rules on war pensions approved by decree No 915, of 23 December 1978, of the president of the Republic, are applicable starting 1 January 1980 and effective as of 1 January of each year, with exclusive reference to points of variation from the cost of living index ascertained in the annual period from 1 November 1978 to 31 October 1979 and in the subsequent corresponding periods.

Effective as of 1 January 1980, the special supplementary allowance to holders of war pensions is paid in a differential amount between the possible higher amount of the allowance itself and the amount due on another pension, allowance or remuneration for purposes of association with variations in the cost of living index or with similar automatic adjustment systems established by currently effective provisions. The present paragraph is applicable, also by means of periodic settlements, with exclusive reference to the increases resulting from variations in the cost of living index and other similar automatic adjustment systems ascertained from 1 January 1980 onwards.

Amounts possibly due to pension holders referred to in the next to the last paragraph of article 11 of Law No 875, of 29 November 1977, and the tenth paragraph of article 74 of the single text approved by Decree No 915, of 23 December 1978, of the president of the Republic, are approved for payment, provided the persons concerned have declared or will declare within 90 days from the effective date of the present law that they are not entitled to the allowance itself.

With regard to disabled war veterans who, because of the existence of other permanent disabilities, benefit from the cumulative allowance provided in Table F annexed to the single text approved by Decree No 915, of 23 December 1978, of the president of the Republic, the supplementary allowance referred to in article 75 of the above-mentioned single text, to be granted

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on the indicated cumulative allowance, is granted for an amount corresponding to the amount of the supplementary allowance paid on the main pension allowance.

The provision stated in the last paragraph of article 8 of Law No 9, of 26 January 1980, is not applicable to disabled persons covered by subparagraph 1 of A in Table E annexed to the single text approved by Decree No 915, of 23 December 1978, of the president of the Republic, who are entitled to the cumulative allowance for disability accompanied by a loss of sight.

Article 33

The endowment fund of the Credit Bank for Handicraft Enterprises, referred to by article 36 of Law No 949, of 25 July 1952, and subsequent modifications and incorporations, is increased by the amount of 120 billion lire distributed at the rate of 40 billion for each year from 1980 to 1982.

The fund for assistance in paying interest on credit transactions for craftsman enterprises, established in the Credit Bank for Handicraft Enterprises in accordance with article 37 of Law No 949, of 25 July 1952, and subsequent modifications and incorporations, is increased by the amount of 420 billion lire, distributed at the rate of 60 billion for each year from 1980 to 1986.

Article 34

The total authorization for an expenditure of 85 billion lire referred to in article 6 of Law No 517, of 10 October 1975, is increased by 250 billion lire at the rate of 25 billion for each year from 1980 to 1989.

Credit institutions and agencies referred to by article 4 of Law No 517, of 10 October 1975, are authorized, even departing from currently effective statutes, to grant medium-term financing at the usual rate to commercial enterprises, including enterprises performing service activities.

A subsidy in rental account for an amount equal in present value to the subsidy in interest account that the transactions would enjoy if they were carried out with relief financing covered by the same Law No 517, will be granted to enterprises concerned for initiatives carried out with financial leasing in accordance with article 5 of Law No 517, of 10 October 1975.

Within 3 months from the effective date of the present law, the minister of Industry, Commerce and Handicrafts, in agreement with the minister of Treasury, provides, with a decree of his own, for specifying the modalities and procedures for granting the subsidies referred to in the preceding paragraph.

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The subsidy for interest may be granted also for financing pertaining to expenditure programs submitted in accordance with Law No 1016, of 16 September 1960, and subsequent modifications and incorporations, even though already completely carried out by the effective date of the present law.

The following replaces the fifth paragraph of article 3 of Law No 517, of 10 October 1975:

"The availment period may not be greater than 1 year. The subsidy is granted, on completion of the verifications referred to in subparagraph 3 of the fifth paragraph of article 6, for transactions entered upon with a year from the data of the proposal to grant the subsidy itself by the committee referred to in the second paragraph of the above-mentioned article 6. The subsidy starts on the date of disbursement of the financing and ceases with the final amortization payment on the loan itself. In case, as a result of the above-mentioned verifications, the subsidy is not granted or in case, 2 years after the above-mentioned proposal, the granting decree has not been implemented by the committee, the transaction is understood as carried out at the usual rate.

"Provision is made for the appointment of a substitute for each member of the committee referred to in the preceding paragraph who acts in case of absence of the regular member."

Article 35

The subsidies fund referred to in the first paragraph of article 3 of Law No 295, of 28 May 1973, established in the central Medium-term Credit Bank and increased by the amount of 1,430 billion lire, of which the amount of 1,250 billion is reserved for payment of subsidies in interest account on deferred payment export financing transactions provided for by Law No 227, of 24 May 1977, and subsequent modifications.

The amount referred to in the preceding paragraph will be included in the budget estimate of the Ministry of Treasury at the rate of 130 billion lire in 1980, 350 billion in 1981, 345 billion in 1982, 250 billion in 1983, 200 billion in 1984 and 155 billion in 1985.

Article 36

The appropriation for the Central Statistics Institute referred to by Royal Decree-Law No 1285, of 27 May 1929, including the appropriations referred to by Royal Decree No 1035, of 2 June 1927, for costs of preparing agricultural statistics and by Royal Decree No 697 of 8 June 1933, for Italian labor abroad statistical service, is authorized annually by an appropriate provision to be incorporated in the law approving the budget.

Article 37

Provision is made for cases of need concerning settlement of the National Institute for Mother and Child Welfare specified by article 1 of Law No 698,

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of 23 December 1975, with ready funds from the treasury account referred to by article 14 of Law No 1404, of 4 December 1956, by virtue of which grants to be established annually by an appropriate provision to be incorporated in the law approving the budget may be authorized.

Article 38

Amounts owed by individual state administrations to the Postal and Telecommunications Administration, in accordance with articles 15, 16, 17 and 19 of the single text of legislative provisions on postal matters, postal bank and telecommunications, approved by Decree No 156, of 29 March 1973, of the president of the Republic, are chargeable to the Ministry of Treasury and are authorized annually with a pertinent provision to be incorporated in the law approving the budget.

Article 39

Granting of subsidies by the National Treasury to the Fund for Religion, in order to put it in a position to perform the aims of an institute, is authorized by a pertinent provision to be incorporated in the law approving the budget.

Article 40

The further expenditure of 60 billion lire, including 10 billion for fiscal year 1980, is authorized for incorporating the amounts provided by Law No 268, of 24 June 1974, for attainment of the objectives referred to in titles I and II of that same law.

Article 41

Starting in fiscal year 1980, payment of the subsidy to the Bank of Sardinia in costs of supervision of agricultural funds and other institutions engaged in agricultural credit provided by Law No 123, of 23 February 1952, ceases.

Provisions of a Financial Nature

Article 42

In connection with the trend of the money and finance market, the Ministry of Treasury and the Bank of Italy may enter into appropriate agreements to regulate replacement of securities issued by the state and held entirely by the bank itself by new securities in the form of special Treasury credit certificates, Treasury credit certificates, ordinary Treasury bonds and multiannual Treasury bonds. The minister of Treasury is authorized to order, with his own decree and with the advice of the Interministerial Committee on Credit and Savings, the issuance of new securities, also determining their interest rate, term, repayment conditions and any other procedures and characteristics. Where necessary, the provisions of

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subparagraphs a, b and c of article 50 of Law No 843, of 21 December 1978, and of article 71 of Royal Decree No 2440, of 18 November 1923, are applicable.

Article 43

The amounts to be included with regard to expenditure authorizations derived from laws of a multiannual nature are determined, for each of the years 1980, 1981 and 1982, in the amounts indicated in Table A annexed to the present law.

Article 44

The amounts to be included in the special funds referred to in article 10 of Law No 468, of 5 August 1978, for financing legislative measures whose approval in 1980 is forecast are specified, respectively, as 31,299,447,000,000 lire for the special fund for current expenditures and 5,311,845,000,000 lire for the special fund for capital account expenditures.

Article 45

The items to be included in the special funds for financing legislative measures whose approval during 1980 is forecast are indicated in Tables B and C annexed to the present law.

[6 May 80, p 14]

[Text] We conclude publication -- started on Thursday 1 May and continued on Sunday 4 May -- of the complete text of Law No 146, of 24 April, the Financial Law, which contains provisions for preparation of the annual and multiannual budget of the state.

Article 46

The maximum amount of recourse to the financial market referred to in article 11 of Law No 468, of 5 August 1978, is fixed in terms of authority at 72,770,536,976,000 lire.

The government of the Republic is obliged to indicate, in the estimate and program report, the estimate of the actual recourse to the financial market anticipated for 1980, within the framework of the assumptions referred to by article 4, fifth paragraph, of Law No 468 of 5 August 1978.

Article 47

The provisions referred to in the third and fourth paragraphs of article 2 are applicable starting 1 August 1980.



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State employees and employees of other public administrations, and also employees of agencies and other public law institutions under state supervision, who are not members of Parliament and are called to the post of minister or under secretary, are placed on leave for the period during which they perform their duties, retaining the entire pay to which they are entitled in an amount, at any rate, not greater than the amount paid to members of Parliament.

The increases in the deductions established by article 2 for accrued payments due up to end of the month in which the present law becomes effective are calculated by the tax deputies in the month of December 1980 or, in case of termination of the work relation occurring subsequent to the effective date of the same law, as of the date of termination.

Article 48

The terms specified in the second and third paragraphs of article 17 of Law No 825, of 9 October 1971, and subsequent modifications, are extended further, respectively, to 31 December 1981 and 31 December 1982.

The modifications, incorporations and corrections referred to in the second and third paragraphs of article 17 of Law No 825, of 9 October 1971, and the second paragraph of article 22 of Law No 114, of 13 April 1977, taking into account provisions of law pertaining to matters covered by each single text that have become effective up to 2 months prior to issuance of single texts, can be included in currently effective rules in drawing up single texts.

The authorization referred to in article 17, fifth paragraph, of Law No 825, of 9 October 1971, is extended up to 31 December 1982. Studies and preparatory work on single texts are assigned to the technical committee or implementation of the tax reform. The present composition of the committee may be modified with regard to the above-mentioned tasks.

The powers of the committee referred to in the third paragraph of article 17 of Law No 825, of 9 October 1971, are assigned to the committee referred to in the first paragraph of article 17 of the above-mentioned law.

Article 49

The present law becomes effective on the day of its publication in the GAZZETTA UFFICIALE of the Republic.

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